

ORIGINAL



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MEMORANDUM

30

TO: Docket Control
Arizona Corporation Commission

FROM: Ernest G. Johnson
Director
Utilities Division

Date: March 30, 2007

RE: STAFF REPORT FOR THE APPLICATION OF BEARDSLEY WATER COMPANY AND ARIZONA-AMERICAN WATER COMPANY TO REALIGN THEIR CERTIFICATED WATER SERVICE TERRITORIES IN MARICOPA COUNTY, ARIZONA. DOCKET NOS. W-02074A-07-0079 AND W-01303A-07-0079

Attached is the Staff Report for the application of Beardsley Water Company and Arizona-American Water Company for approval to realign their service territories among themselves and the City of Surprise. Staff recommends approval of the extensions, deletions and transfers of certificated areas.

EGJ:LAJ:tdp

Originator: Linda A. Jaress

Attachment: Original and 13 Copies

Arizona Corporation Commission
DOCKETED
MAR 30 2007

DOCKETED BY <i>[Signature]</i>	<i>NR</i>
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AZ CORP COMMISSION
DOCUMENT CONTROL

2007 MAR 30 P 3:36

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Service List for: Beardsley Water Company and Arizona-American Water Company
Docket Nos. W-02074A-07-0079 and W-01303A-07-0079

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STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

BEARDSLEY WATER COMPANY AND
ARIZONA-AMERICAN WATER COMPANY

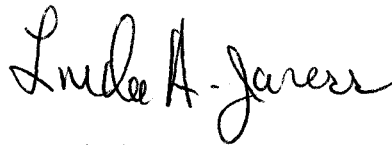
APPLICATION FOR APPROVAL TO REALIGN THEIR SERVICE TERRITORIES

DOCKET NOS. W-02074A-07-0079 AND
W-01303A-07-0079

MARCH 30, 2007

STAFF ACKNOWLEDGMENT

The Staff Report for Beardsley Water Company, Docket No. W-02074A-07-0079, and Arizona-American Water Company, Docket No. W-01303A-07-0079, was prepared by the Staff members shown below.

A handwritten signature in cursive script that reads "Linda A. Jaress".

Linda A. Jaress
Executive Consultant III

A handwritten signature in cursive script that reads "Katrin Stukov".

Katrin Stukov
Utility Engineer

**EXECUTIVE SUMMARY
BEARDSLEY WATER COMPANY AND
ARIZONA-AMERICAN WATER COMPANY
DOCKET NOS. W-02074A-07-0079 AND
W-01303A-07-0079**

On October 6, 2006, Beardsley Water Company ("Beardsley"), Arizona-American Water Company ("Arizona-American") and the City of Surprise ("Surprise") entered an "Agreement for the Realignment of Certain Service and Certificated Areas" ("the Agreement"). Beardsley, Arizona-American and Surprise all serve areas in Maricopa County some of which are contiguous. The Agreement sets forth certain areas which would be transferred from one entity to another for purposes of providing water utility service. On February 2, 2006, Beardsley and Arizona-American filed a joint application with the Arizona Corporation Commission ("the Commission") for approval to realign their certificated water service territories in accordance with the Agreement.

There are currently neither customers nor utility assets in any of the areas at issue. The reasons for the proposed additions, deletions and transfers are to avoid costly or duplicative water production and distribution facilities and to overcome physical barriers to providing service related to the locations of Loop 303 freeway, the Beardsley Canal, Grand Avenue and the railroad.

Arizona-American and Beardsley are in compliance with the applicable water utility regulatory authorities. However, the Utilities Division Compliance Section reports that Arizona-American is delinquent regarding one compliance item required by Decision No. 68917, dated August 29, 2006. Arizona-American was required by the Decision to file tariff sheets consistent with the Decision which approved a Water Service Termination Agreement between Arizona-American and Surprise within 30 days of the Decision. Arizona-American has not yet filed the tariff sheets.

Staff believes the proposed extensions, deletions and transfers are in the public interest because they may result in lower costs for future and current customers.

Staff recommends approval of the deletion of Parcels A, B and C from Arizona-American's Certificate of Convenience and Necessity ("CC&N").

Staff recommends approval of the deletion of Parcel G from Arizona-American's Sun City West District and the addition of Parcel G to Arizona-American's Agua Fria District.

Staff recommends approval of the extension of Arizona-American's CC&N into Parcel F.

Staff recommends approval of the extension of the CC&N of Beardsley into Parcels C, D and E.

Staff also recommends that a decision approving these extensions, deletions and transfers not be issued until Arizona-American has complied with Decision No. 68917. Compliance will be documented by a memo to this docket from the Utilities Division Compliance Section.

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Introduction

On October 6, 2006, Beardsley Water Company ("Beardsley"), Arizona-American Water Company ("Arizona-American") and the City of Surprise ("Surprise") entered an "Agreement for the Realignment of Certain Service and Certificated Areas" ("the Agreement"). Beardsley, Arizona-American and Surprise all serve areas in Maricopa County some of which are contiguous. The Agreement sets forth certain areas which would be transferred from one entity to another for purposes of providing water utility service. On February 2, 2006, Beardsley and Arizona-American filed a joint application with the Arizona Corporation Commission ("the Commission") for approval to realign their certificated water service territories in accordance with the Agreement.

Attached as Exhibit 1 is a series of maps showing the relevant areas served by Beardsley, Arizona-American and Surprise including the areas for which approval of extensions, deletions and transfers are being requested. There are currently neither customers nor utility assets in any of the areas at issue. The reasons for the proposed additions, deletions and transfers are to avoid costly or duplicative water production and distribution facilities and to overcome physical barriers to providing service related to the locations of Loop 303 freeway, the Beardsley Canal, Grand Avenue and the railroad.

Staff's Engineering Report attached as Exhibit 2 provides a chart which describes and identifies the seven parcels being transferred, the number of acres in each parcel, the reason the parcel is being transferred, the current entity serving the parcel and the entity proposed to serve the parcel. If approved by the Commission, a total of 951 acres will be affected.

Arizona-American would transfer 787.4 acres while receiving 162.1 acres of new service territory. Arizona-American would transfer 10.3 acres from its Sun City District to its Agua Fria District. Beardsley would receive 189.5 acres of new Certificate of Convenience and Necessity ("CC&N") territory from the proposal; 134 acres from Arizona-American and 55.5 acres of area which would otherwise be served by Surprise. All the areas Beardsley would receive are contiguous to its current service territory. The proposal only adds service territory to Beardsley taking none away. According to the Agreement, Surprise would be allocated a total of 643.1 acres. All of the 643.1 acres is currently in Arizona-American's certificated area.

If approved, this would be the second transfer of territory for Beardsley in less than one year. In Decision No. 68860, dated July 28, 2006, the Commission approved the deletion of 1,029 acres of Beardsley's service territory. The territory was to be developed by Lennar Communities Development and provided water service by Surprise.

Compliance

The attached Engineering Report concludes that Beardsley and Arizona-American are delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, Chapter 4 and that both utilities are in compliance with the new U.S. Environmental

Protection Agency maximum arsenic level. The Report also concludes that the utilities are in compliance with the Arizona Department of Water Resources conservation and reporting requirements.

However, the Utilities Division Compliance Section reports that Arizona-American is delinquent regarding one compliance item required by Decision No. 68917, dated August 29, 2006. Arizona-American was required by the Decision to file tariff sheets consistent with the Decision which approved a Water Service Termination Agreement between Arizona-American and Surprise within 30 days of the Decision. Arizona-American has not yet filed the tariff sheets.

Analysis

Staff's Engineering Report analyzed the capacity of the utilities to serve the areas at issue. Staff concluded that the production and storage capacity of the Beardsley and Arizona-American systems which would serve the transferred areas could adequately serve the present customer base and a reasonable level of growth.

The utilities have represented this application as a request for approval to realign the service territories of Beardsley and Arizona-American. A more precise description of the application is a request for Commission approval of an extension of the CC&N of Beardsley and Arizona-American and deletion of a portion of Arizona-American's CC&N. In recent decisions, the Commission has required utilities to provide requests for service for all areas to which the utilities desire to extend their CC&Ns. Neither Beardsley nor Arizona-American has produced requests for service for the extension areas and Arizona-American has not produced requests by landowners to have property deleted from Arizona-American's CC&N.

Staff believes that it would be in the public interest for the Commission to approve the application even though there are no requests for service. In an effort to provide water service in an efficient manner, the three entities came to the Agreement that should result in lower costs to current and future customers. Staff recommends approval of the application.

Recommendations

Staff recommends approval of the deletion of Parcels A, B and C from Arizona-American's CC&N.

Staff recommends approval of the deletion of Parcel G from Arizona-American's SunCity West District and the addition of Parcel G to Arizona-American's Agua Fria District.

Staff recommends approval of the extension of Arizona-American's CC&N into Parcel F.

Staff recommends approval of the extension of the CC&N of Beardsley into Parcels C, D and E.

Staff also recommends that a decision approving these extensions, deletions and transfers not be issued until Arizona-American has complied with Decision No. 68917. Compliance will be documented by a memo to this docket from the Utilities Division Compliance Section.

MEMORANDUM

TO: Linda Jaress
Executive Consultant III
Utilities Division

FROM: Barb Wells *bw*
Information Technology Specialist
Utilities Division

THRU: Del Smith *DS*
Engineering Supervisor
Utilities Division

DATE: March 7, 2007

RE: **BEARDSLEY WATER COMPANY (DOCKET NO. W-02074A-07-0079)**
ARIZONA AMERICAN WATER COMPANY (DOCKET NO. W-01303A-07-0079)

The areas requested by Arizona American and Beardsley for realignment have been plotted with no complications using the legal description provided with the application (a copy of which is attached).

Also attached are copies of the maps for your files.

I have tried to correlate the colors and legends on my maps to the map filed in the application as Exhibit F and the 'Detailed Parcel Discussion' found on Page 5. The differences being that I used two shades of blue and two shades of green to further delineate separate parcels and I used purple instead of red for Parcel C. The last map has the parcels labeled and also shows the Agua Fria and Sun City West districts for Arizona American.

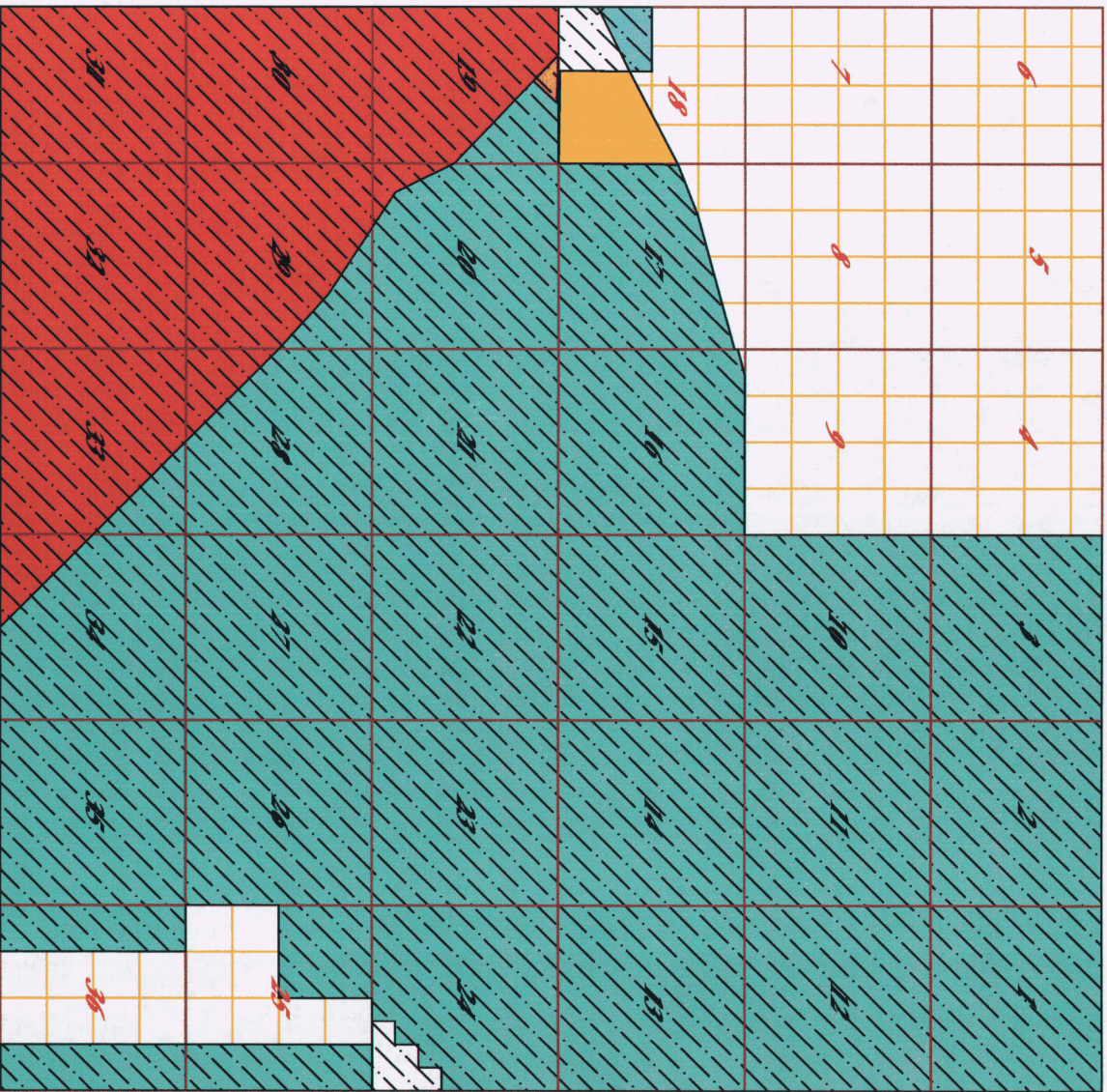
:bsw

Attachments








cc: Mr. Steven A. Hirsch
Mr. Craig Marks
Ms. Katrin Stukov
Ms. Deb Person (Hand Carried)
File

COUNTY: Maricopa

RANGE 1 West

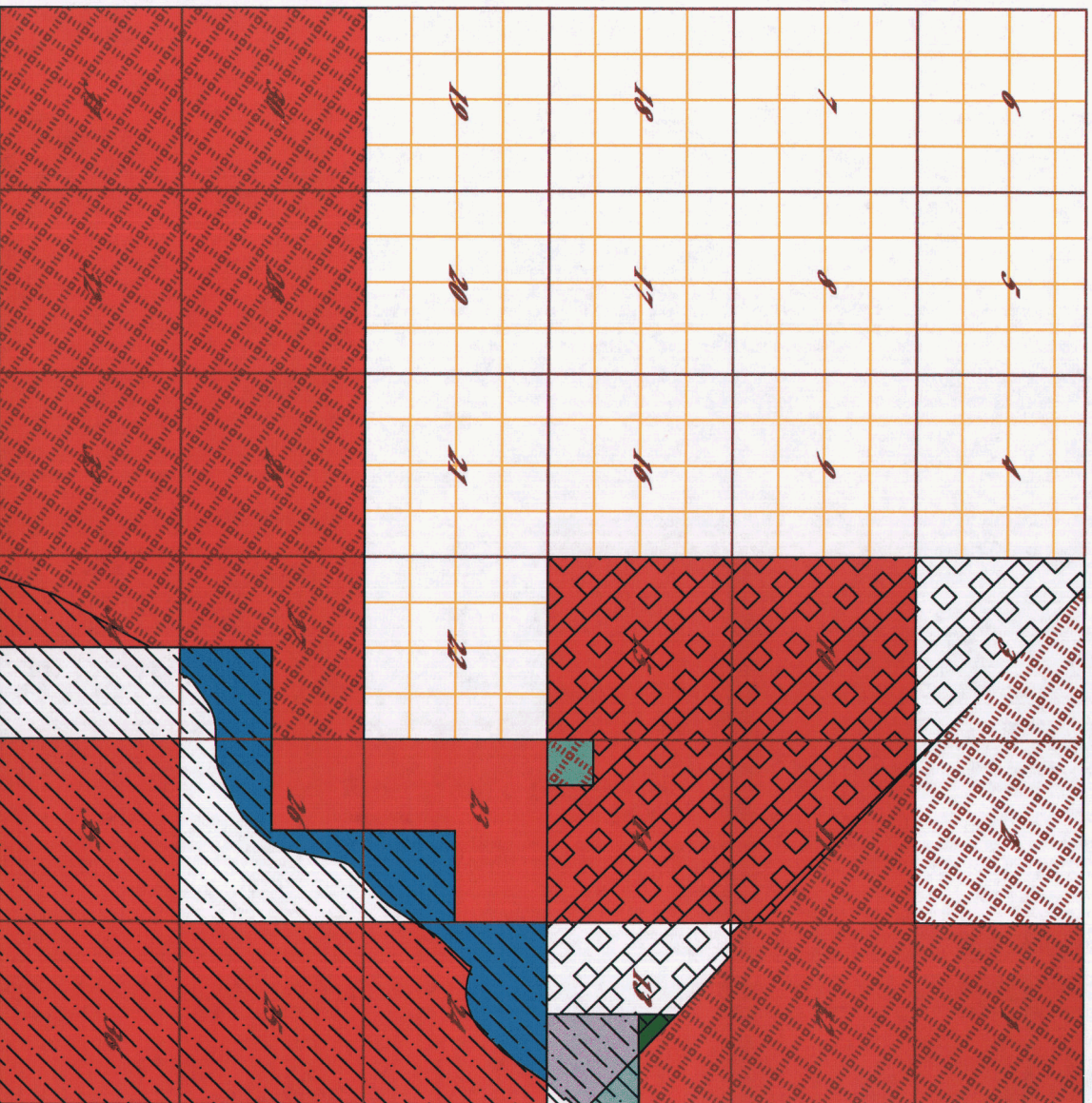


TOWNSHIP 4 North
















-  WS-1303 (14)
-  Sewer
- Arizona-American Water Company (Agua Fria/Sun City/Sun City West)
-  Sewer (4)
- City of Surprise (Nonjurisdictional)
-  Arizona-American Water Company Docket No. W-01303A-07-0079 Application for Partial Deletion - to Surprise
-  Arizona-American Water Company Docket No. W-01303A-07-0079 Application for Transfer to Beardsley
-  Arizona-American Water Company Docket No. W-01303A-07-0079 Application for Extension
-  Arizona-American Water Company Docket No. W-01303A-07-0079 Application to Transfer from Sun City West to Agua Fria

COUNTY: Maricopa

RANGE 2 West

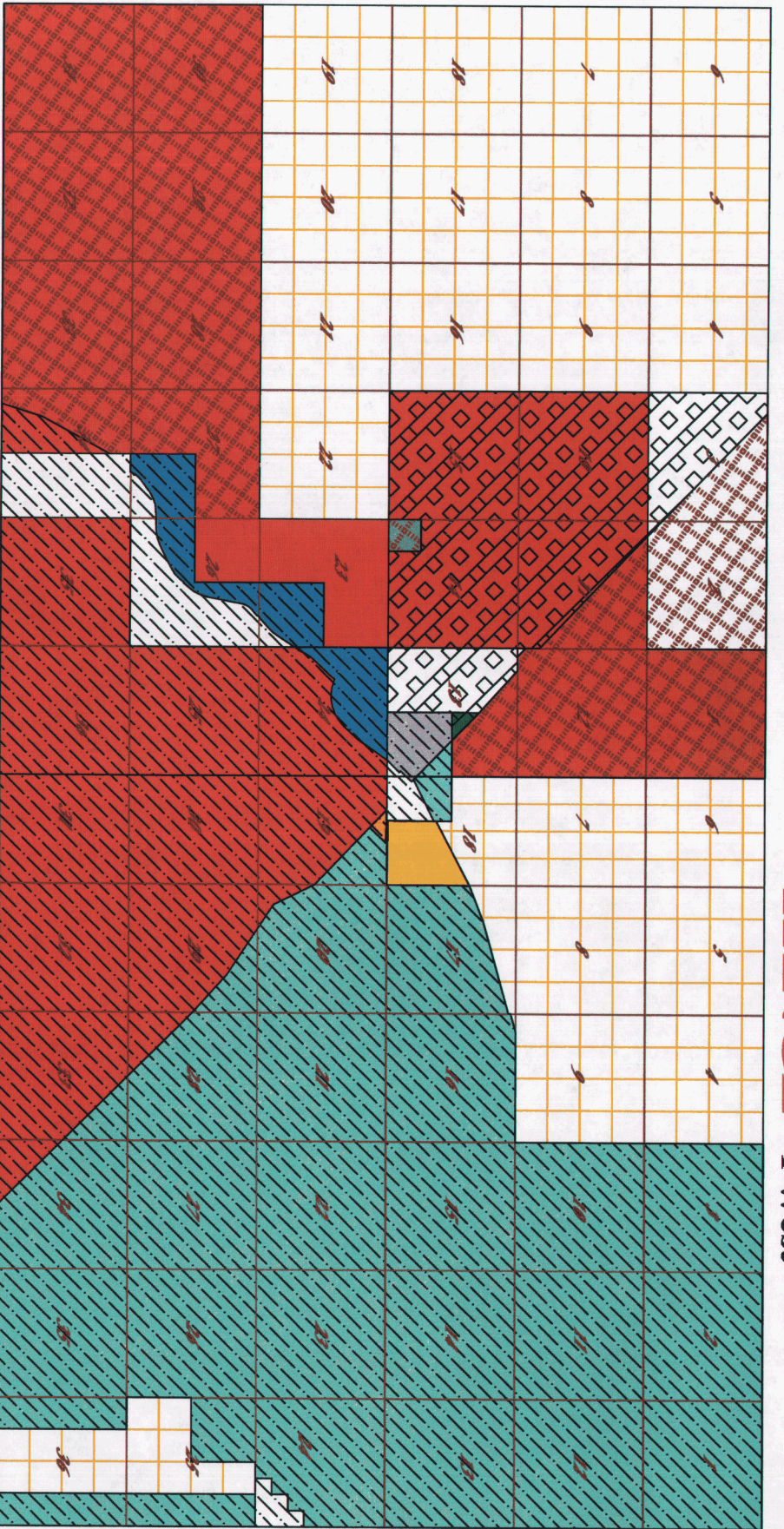


TOWNSHIP 4 North

-  WS-1303 (14)
-  Arizona-American Water Company (Agua Fria)
-  W-2074 (2)
-  Beardsley Water Company, Inc.
-  (4)
-  City of Surprise (Nonjurisdictional)
-  Arizona-American Water Company
-  Docket No. W-01303A-07-0079
-  Application for Partial Deletion - to Surprise
-  Arizona-American Water Company
-  Docket No. W-01303A-07-0079
-  Application for Transfer to Beardsley
-  Beardsley Water Company
-  Docket No. W-02074A-07-0079
-  Application for Extension

RANGE 2 West

RANGE 1 West



TOWNSHIP 4 North



WS-1303



Sewer

Arizona-American Water Company



W-2074

Beardsley Water Company, Inc.



City of Surprise (Nonjurisdictional)



Arizona-American Water Company

Docket No. W-01303A-07-0079

Application for Partial Deletion - to Surprise



Arizona-American Water Company

Docket No. W-01303A-07-0079

Application for Transfer to Beardsley



Beardsley Water Company

Docket No. W-02074A-07-0079

Application for Extension



Arizona-American Water Company

Docket No. W-01303A-07-0079

Application for Extension



Arizona-American Water Company

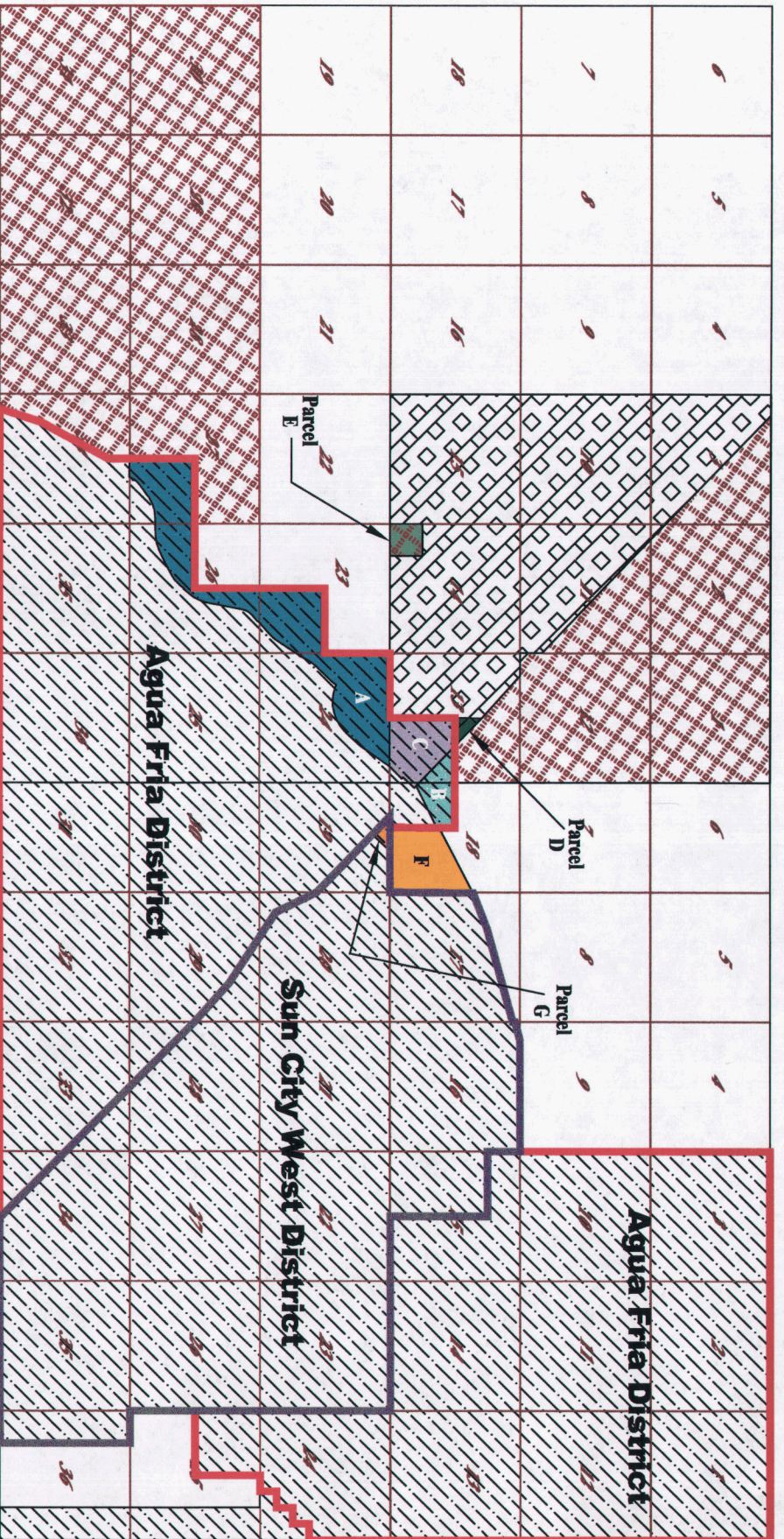
Docket No. W-01303A-07-0079

Application to Transfer from

Sun City West to Agua Fria

RANGE 2 West

RANGE 1 West



WS-1303



Arizona-American Water Company



W-2074



Beardsley Water Company, Inc.



City of Surprise (Nonjurisdictional)



Arizona-American Water Company
Docket No. W-01303A-07-0079

Application for Partial Deletion - to Surprise



Arizona-American Water Company
Docket No. W-01303A-07-0079



Application for Transfer to Beardsley



Beardsley Water Company
Docket No. W-02074A-07-0079

Application for Extension



Arizona-American Water Company
Docket No. W-01303A-07-0079



Application for Extension

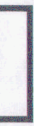


Arizona-American Water Company
Docket No. W-01303A-07-0079

Application to Transfer from
Sun City West to Agua Fria



Arizona-American (Agua Fria District)



Arizona-American (Sun City West District)

TOWNSHIP 4 North

Exhibit G



Professional
Services, LLC

Civil Engineering
Land Surveying
Project Management



www.deipro.com

5 APRIL 2006
JOB NO. 03101

LEGAL DESCRIPTION
AZ-AM AF ABANDONED CC & N - 1

A PARCEL OF LAND LOCATED WITHIN A PORTION OF THE SOUTHEAST QUARTER OF SECTION 27, A PORTION OF THE SOUTHWEST QUARTER OF SECTION 26, A PORTION OF THE SOUTHEAST QUARTER OF SECTION 26, A PORTION OF THE NORTHEAST QUARTER OF SECTION 26, A PORTION OF THE SOUTHEAST QUARTER OF SECTION 23 AND A PORTION OF THE NORTH HALF OF SECTION 24, TOWNSHIP 4 NORTH, RANGE 2 WEST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTH QUARTER CORNER OF SAID SECTION 27, BEING A BRASS CAP, FROM WHICH THE SOUTHEAST CORNER OF SAID SECTION 27, BEING A BRASS CAP, BEARS SOUTH 89 DEGREES 18 MINUTES 34 SECONDS EAST, A DISTANCE OF 2,635.70 FEET;

THENCE NORTH 00 DEGREES 51 MINUTES 37 SECONDS EAST, ALONG THE NORTH SOUTH MIDSECTION LINE OF SAID SECTION 27, A DISTANCE OF 2,643.99 FEET TO THE CENTER OF SAID SECTION 27;

THENCE SOUTH 89 DEGREES 13 MINUTES 34 SECONDS EAST, DEPARTING THE NORTH SOUTH MIDSECTION LINE AND ALONG THE EAST WEST MIDSECTION LINE OF SAID SECTION 27, A DISTANCE OF 2,642.31 FEET TO THE WEST QUARTER CORNER OF SECTION 26;

THENCE SOUTH 89 DEGREES 17 MINUTES 29 SECONDS EAST, ALONG THE EAST WEST MIDSECTION LINE OF SAID SECTION 26, A DISTANCE OF 2,635.44 FEET TO THE CENTER OF SAID SECTION 26;

THENCE NORTH 00 DEGREES 52 MINUTES 09 SECONDS EAST, DEPARTING THE EAST WEST MIDSECTION LINE OF SAID SECTION 26 AND PROCEEDING ALONG THE NORTH SOUTH MIDSECTION LINE OF SAID SECTION 26, A DISTANCE OF 2,636.47 FEET TO THE SOUTH QUARTER CORNER OF SECTION 23;

THENCE NORTH 00 DEGREES 54 MINUTES 10 SECONDS EAST, ALONG THE NORTH SOUTH MIDSECTION LINE OF SAID SECTION 23, A DISTANCE OF 2,643.32 FEET TO THE CENTER OF SAID SECTION 23;

THENCE SOUTH 89 DEGREES 16 MINUTES 54 SECONDS EAST, DEPARTING SAID NORTH SOUTH MIDSECTION LINE AND PROCEEDING ALONG THE EAST WEST MIDSECTION LINE OF SAID SECTION 23, A DISTANCE OF 2,623.86 FEET TO THE WEST QUARTER CORNER OF SECTION 24;

THENCE NORTH 00 DEGREES 48 MINUTES 04 SECONDS EAST, DEPARTING THE EAST WEST MIDSECTION LINE OF SAID SECTION 23 AND PROCEEDING ALONG THE WEST LINE OF THE NORTHWEST QUARTER OF SECTION 24, A DISTANCE OF 2,639.82 FEET TO THE NORTH WEST CORNER OF SAID SECTION 24;

THENCE SOUTH 89 DEGREES 07 MINUTES 24 SECONDS EAST, DEPARTING THE WEST LINE OF THE NORTHWEST QUARTER OF SAID SECTION 24 AND PROCEEDING ALONG THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 24, A DISTANCE OF 2,636.35 FEET TO THE NORTH QUARTER CORNER OF SAID SECTION 24;

THENCE SOUTH 89 DEGREES 07 MINUTES 27 SECONDS EAST, ALONG THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 24, A DISTANCE OF 2,001.02 FEET TO A POINT ON THE NORTH LINE OF THE SUN CITY GRAND CAPITAN SUBDIVISION PER THE FINAL PLAT RECORDED IN BOOK 676, PAGE 34, MARICOPA COUNTY, RECORDERS OFFICE ;

THENCE SOUTH 43 DEGREES 46 MINUTES 27 SECONDS WEST, ALONG THE NORTHWEST LINE OF SAID SUBDIVISION OF THE FINAL PLAT RECORDED IN BOOK 676, PAGE 34, MARICOPA COUNTY, RECORDERS OFFICE, A DISTANCE OF 1435.35 FEET TO A COMMON POINT ON THE NORTHWEST LINE OF SUN CITY GRAND CAPITAN SUBDIVISION PER THE FINAL PLAT RECORDED IN BOOK 676, PAGE 34, MARICOPA COUNTY, RECORDERS OFFICE AND THE SUN CITY GRAND RINCON SUBDIVISION PER THE FINAL PLAT RECORDED IN BOOK 651, PAGE 12, MARICOPA COUNTY, RECORDERS OFFICE;

THENCE CONTINUING SOUTH 43 DEGREES 46 MINUTES 27 SECONDS WEST, ALONG SAID NORTHWEST LINE OF THE SUN CITY GRAND RINCON SUBDIVISION PER THE FINAL PLAT RECORDED IN BOOK 651, PAGE 12, MARICOPA COUNTY, RECORDERS OFFICE, A DISTANCE OF 803.80 FEET TO THE BEGINNING OF A NON TANGENT CURVE CONCAVE NORTHWESTERLY WHOSE RADIUS POINT BEARS NORTH 46 DEGREES 15 MINUTES 14 SECONDS WEST, A DISTANCE OF 1,700.00 FEET;

THENCE SOUTHWESTERLY, ALONG THE ARC OF SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 41 DEGREES 09 MINUTES 49 SECONDS, CONTINUING ALONG THE NORTHWEST LINE OF SAID SUN CITY GRAND RINCON SUBDIVISION PER THE FINAL PLAT RECORDED IN BOOK 651, PAGE 12, MARICOPA COUNTY, RECORDERS OFFICE, A DISTANCE OF 1,221.36 FEET TO A POINT ON A COMMON LINE OF THE SUN CITY GRAND RINCON SUBDIVISION PER THE FINAL PLAT RECORDED IN BOOK 651, PAGE 12, MARICOPA COUNTY, RECORDERS OFFICE AND SUN CITY GRAND ESCALANTE SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 685, PAGE 33, MARICOPA COUNTY RECORDERS OFFICE, SAID POINT ALSO BEING THE CONTINUATION OF A CURVE CONCAVE NORTHERLY, WHOSE RADIUS POINT BEARS NORTH 05 DEGREES 05 MINUTES 25 SECONDS WEST, A DISTANCE OF 1700.00 FEET;

THENCE WESTERLY, CONTINUING ALONG THE ARC OF SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 26 DEGREES 47 MINUTES 49 SECONDS, CONTINUING ALONG THE NORTHWEST LINE OF SAID SUN CITY GRAND ESCALANTE SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 685, PAGE 33, MARICOPA COUNTY RECORDERS OFFICE, A DISTANCE OF 795.08 FEET;

THENCE NORTH 68 DEGREES 17 MINUTES 36 SECONDS WEST, ALONG THE NORTHWEST LINE OF SUN CITY GRAND ESCALANTE SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 685, PAGE 33, MARICOPA COUNTY RECORDERS OFFICE, A DISTANCE OF 79.59 FEET TO THE BEGINNING OF A NON TANGENT CURVE CONCAVE NORTHWESTERLY WHOSE RADIUS POINT BEARS NORTH 67 DEGREES 10 MINUTES 02 SECONDS WEST, A DISTANCE OF 438.44 FEET;

THENCE SOUTHWESTERLY, ALONG THE ARC OF SAID CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 20 DEGREES 38 MINUTES 35 SECONDS, CONTINUING ALONG THE NORTHWEST LINE OF SAID SUN CITY ESCALANTE SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 685, PAGE 33, MARICOPA COUNTY RECORDERS OFFICE, A DISTANCE OF 157.97 FEET;

THENCE SOUTH 43 DEGREES 28 MINUTES 33 SECONDS WEST, CONTINUING ALONG SAID NORTHWEST LINE OF SAID SUN CITY ESCALANTE SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 685, PAGE 33, MARICOPA COUNTY RECORDERS OFFICE, A DISTANCE OF 1,058.40 FEET, TO THE BEGINNING OF A CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 1,377.98 FEET;

THENCE SOUTHWESTERLY, ALONG THE ARC OF SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 17 DEGREES 01 MINUTES 00 SECONDS, CONTINUING ALONG SAID NORTHWEST LINE, A DISTANCE OF 409.26 FEET;

THENCE SOUTH 26 DEGREES 27 MINUTES 33 SECONDS WEST, CONTINUING ALONG SAID NORTHWEST LINE, A DISTANCE OF 282.40 FEET, TO THE BEGINNING OF A CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1,967.36 FEET;

THENCE SOUTHWESTERLY, ALONG THE ARC OF SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 01 DEGREES 03 MINUTES 43 SECONDS, CONTINUING ALONG SAID NORTHWEST LINE, A DISTANCE OF 36.46 FEET;

THENCE NORTH 89 DEGREES 11 MINUTES 58 SECONDS WEST, CONTINUING ALONG SAID NORTHWEST LINE, A DISTANCE OF 33.65 FEET, TO THE BEGINNING OF A NON TANGENT CURVE CONCAVE NORTHWESTERLY WHOSE RADIUS POINT BEARS NORTH 62 DEGREES 01 MINUTES 53 SECONDS WEST, A DISTANCE OF 1,937.37 FEET,;

THENCE SOUTHWESTERLY, ALONG THE ARC OF SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 05 DEGREES 13 MINUTES 46 SECONDS, ALONG THE NORTHWEST LINE OF SAID SUN CITY ESCALANTE SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 685, PAGE 33, MARICOPA COUNTY, RECORDERS OFFICE, A DISTANCE OF 176.82 FEET, TO A COMMON POINT OF THE FINAL PLAT OF SUN CITY ESCALANTE SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 685, PAGE 33, MARICOPA COUNTY RECORDERS OFFICE AND THE FINAL PLAT OF SUN CITY GRAND HAVASU PER FINAL PLAT RECORDED IN BOOK 624, PAGE 13, MARICOPA COUNTY, RECORDERS OFFICE, SAID POINT ALSO BEING THE CONTINUATION OF A CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 1,937.37 FEET;

THENCE SOUTHWESTERLY, CONTINUING ALONG THE ARC OF SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 00 DEGREES 36 MINUTES 50 SECONDS, ALONG THE NORTHWEST LINE OF THE SUN CITY GRAND HAVASU SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 624, PAGE 13, MARICOPA COUNTY, RECORDERS OFFICE, A DISTANCE OF 20.76 FEET;

THENCE SOUTH 33 DEGREES 48 MINUTES 43 SECONDS WEST, CONTINUING ALONG THE NORTHWEST LINE OF THE SUN CITY GRAND HAVASU SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 624, PAGE 13, MARICOPA COUNTY, RECORDERS OFFICE, A DISTANCE OF 845.75 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1,662.20 FEET;

THENCE SOUTHWESTERLY, ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 15 DEGREES 01 MINUTES 28 SECONDS, CONTINUING ALONG THE NORTHWEST LINE OF THE SUN CITY GRAND HAVASU SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 624, PAGE 13, MARICOPA COUNTY, RECORDERS OFFICE, A DISTANCE OF 435.87 FEET;

THENCE SOUTH 48 DEGREES 50 MINUTES 11 SECONDS WEST, CONTINUING ALONG THE NORTHWEST LINE OF THE SUN CITY GRAND HAVASU SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 624, PAGE 13, MARICOPA COUNTY, RECORDERS OFFICE, A DISTANCE OF 671.84 FEET;

THENCE SOUTH 03 DEGREES 50 MINUTES 11 SECONDS WEST, CONTINUING ALONG THE NORTHWEST LINE OF THE SUN CITY GRAND HAVASU SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 624, PAGE 13, MARICOPA COUNTY, RECORDERS OFFICE, A DISTANCE OF 42.43 FEET;

THENCE SOUTH 48 DEGREES 50 MINUTES 11 SECONDS WEST, CONTINUING ALONG THE NORTHWEST LINE OF THE SUN CITY GRAND HAVASU SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 624, PAGE 13, MARICOPA COUNTY, RECORDERS OFFICE, A DISTANCE OF 363.11 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 614.80 FEET;

THENCE SOUTHWESTERLY, ALONG THE ARC OF SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 37 DEGREES 34 MINUTES 51 SECONDS, CONTINUING ALONG THE NORTHWEST LINE OF THE SUN CITY GRAND HAVASU SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 624, PAGE 13, MARICOPA COUNTY, RECORDERS OFFICE, A DISTANCE OF 403.25 FEET;

THENCE SOUTH 11 DEGREES 15 MINUTES 20 SECONDS WEST, ALONG THE NORTHWEST LINE OF THE SUN CITY GRAND HAVASU SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 624, PAGE 13, MARICOPA COUNTY, RECORDERS OFFICE, A DISTANCE OF 726.17 FEET TO A COMMON POINT OF SUN CITY GRAND HAVASU SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 624, PAGE 13, MARICOPA COUNTY, RECORDERS OFFICE AND SUN CITY GRAND ESPERANZA SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 602, PAGE 33, MARICOPA COUNTY RECORDERS OFFICE;

THENCE CONTINUING, SOUTH 11 DEGREES 15 MINUTES 20 SECONDS WEST, ALONG SAID NORTHWEST LINE OF THE SUN CITY GRAND ESPERANZA SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 602, PAGE 33, MARICOPA COUNTY RECORDERS OFFICE, A DISTANCE OF 772.49 FEET, TO THE BEGINNING OF CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1,517.28 FEET;

THENCE SOUTHWESTERLY, ALONG THE ARC OF SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 21 DEGREES 46 MINUTES 50 SECONDS, CONTINUING ALONG SAID NORTHWEST LINE OF THE SUN CITY GRAND ESPERANZA SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 602, PAGE 33, MARICOPA COUNTY RECORDERS OFFICE, A DISTANCE OF 576.78 FEET, TO A COMMON POINT OF THE SUN CITY GRAND ESPERANZA SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 602, PAGE 33, MARICOPA COUNTY RECORDERS OFFICE AND THE SUN CITY GRAND CARLSBAD SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 590, PAGE 22, MARICOPA COUNTY RECORDERS OFFICE, SAID POINT ALSO BEING THE CONTINUATION OF A CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1,517.28 FEET;

THENCE SOUTHWESTERLY, CONTINUING ALONG THE ARC OF SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 06 DEGREES 20 MINUTES 16 SECONDS, ALONG THE NORTHWEST LINE OF THE SUN CITY GRAND CARLSBAD SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 590, PAGE 22, MARICOPA COUNTY RECORDERS OFFICE, A DISTANCE OF 167.83 FEET;

THENCE SOUTH 39 DEGREES 22 MINUTES 26 SECONDS WEST, CONTINUING ALONG THE NORTHWEST LINE OF THE SUN CITY GRAND CARLSBAD SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 590, PAGE 22, MARICOPA COUNTY RECORDERS OFFICE, A DISTANCE OF 368.97 FEET;

THENCE NORTH 00 DEGREES 52 MINUTES 09 SECONDS EAST, CONTINUING ALONG THE NORTHWEST LINE OF THE SUN CITY GRAND CARLSBAD SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 590, PAGE 22, MARICOPA COUNTY RECORDERS OFFICE, A DISTANCE OF 48.19 FEET;

THENCE SOUTH 39 DEGREES 22 MINUTES 26 SECONDS WEST, CONTINUING ALONG THE NORTHWEST LINE OF THE SUN CITY GRAND CARLSBAD SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 590, PAGE 22, MARICOPA COUNTY RECORDERS OFFICE, A DISTANCE OF 251.17 FEET, TO THE BEGINNING OF A CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1,449.95 FEET;

THENCE SOUTHWESTERLY, ALONG THE ARC OF SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 12 DEGREES 49 MINUTES 13 SECONDS, CONTINUING ALONG THE NORTHWEST LINE OF THE SUN CITY GRAND CARLSBAD SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 590, PAGE 22, MARICOPA COUNTY RECORDERS OFFICE, A DISTANCE OF 324.44 FEET TO A COMMON POINT OF THE SUN CITY GRAND CARLSBAD SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 590, PAGE 22, MARICOPA COUNTY RECORDERS OFFICE AND THE SUN CITY GRAND SANTA FE SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 589, PAGE 3, MARICOPA COUNTY RECORDERS OFFICE SAID POINT ALSO BEING THE CONTINUATION OF A CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1,449.95 FEET;

THENCE SOUTHWESTERLY, CONTINUING ALONG THE ARC OF SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 11 DEGREES 42 MINUTES 17 SECONDS, ALONG THE NORTHWEST LINE OF SUN CITY GRAND SANTA FE SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 589, PAGE 3, MARICOPA COUNTY RECORDERS OFFICE, A DISTANCE OF 296.20 FEET;

THENCE SOUTH 63 DEGREES 53 MINUTES 56 SECONDS WEST, CONTINUING ALONG THE NORTHWEST LINE OF SUN CITY GRAND SANTA FE SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 589, PAGE 3, MARICOPA COUNTY RECORDERS OFFICE, A DISTANCE OF 778.91 FEET TO A COMMON POINT OF THE SUN CITY GRAND SANTA FE SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 589, PAGE 3, MARICOPA COUNTY RECORDERS OFFICE AND SUN CITY GRAND MISSION SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 589, PAGE 4, MARICOPA COUNTY RECORDERS OFFICE;

THENCE CONTINUING, SOUTH 63 DEGREES 53 MINUTES 56 SECONDS WEST, ALONG THE NORTHWEST LINE OF THE SUN CITY GRAND MISSION SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 589, PAGE 4, MARICOPA COUNTY RECORDERS OFFICE, A DISTANCE OF 286.64 FEET TO THE BEGINNING OF A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 1,427.23 FEET;

THENCE WESTERLY, ALONG THE ARC OF SAID CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 24 DEGREES 55 MINUTES 22 SECONDS, CONTINUING ALONG THE NORTHWEST LINE OF THE SUN CITY GRAND MISSION SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 589, PAGE 4, MARICOPA COUNTY RECORDERS OFFICE, A DISTANCE OF 620.82 FEET;

THENCE SOUTH 88 DEGREES 49 MINUTES 18 SECONDS WEST, CONTINUING ALONG THE NORTHWEST LINE OF THE SUN CITY GRAND MISSION SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 589, PAGE 4, MARICOPA COUNTY RECORDERS OFFICE, A DISTANCE OF 440.81 FEET TO A COMMON POINT OF THE SUN CITY GRAND MISSION SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 589, PAGE 4, MARICOPA COUNTY RECORDERS OFFICE AND THE SUN CITY GRAND PIMA SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 590, PAGE 21, MARICOPA COUNTY RECORDERS OFFICE;

THENCE CONTINUING, SOUTH 88 DEGREES 49 MINUTES 18 SECONDS WEST, ALONG THE NORTHWEST LINE OF THE SUN CITY GRAND PIMA SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 590, PAGE 21, MARICOPA COUNTY RECORDERS OFFICE, A DISTANCE OF 205.82 FEET;

THENCE SOUTH 87 DEGREES 59 MINUTES 50 SECONDS WEST, CONTINUING ALONG THE NORTHWEST LINE OF THE SUN CITY GRAND PIMA SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 590, PAGE 21, MARICOPA COUNTY RECORDERS OFFICE, A DISTANCE OF 159.84 FEET, TO THE BEGINNING OF A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 1,326.52 FEET;

THENCE WESTERLY, ALONG THE ARC OF SAID CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 33 DEGREES 14 MINUTES 11 SECONDS, CONTINUING ALONG THE NORTHWEST LINE OF THE SUN CITY GRAND PIMA SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 590, PAGE 21, MARICOPA COUNTY RECORDERS OFFICE A DISTANCE OF 769.49 FEET;

THENCE SOUTH 54 DEGREES 45 MINUTES 38 SECONDS WEST, CONTINUING ALONG THE NORTHWEST LINE OF THE SUN CITY GRAND PIMA SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 590, PAGE 21, MARICOPA COUNTY RECORDERS OFFICE, A DISTANCE OF 679.25 FEET TO THE BEGINNING OF A CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 647.22 FEET;

THENCE SOUTHWESTERLY, ALONG THE ARC OF SAID CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 25 DEGREES 19 MINUTES 26 SECONDS, CONTINUING ALONG THE NORTHWEST LINE OF THE SUN CITY GRAND PIMA SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 590, PAGE 21, MARICOPA COUNTY RECORDERS OFFICE, A DISTANCE OF 286.06 FEET;

THENCE SOUTH 29 DEGREES 26 MINUTES 11 SECONDS WEST, CONTINUING ALONG THE NORTHWEST LINE OF THE SUN CITY GRAND PIMA SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 590, PAGE 21, MARICOPA COUNTY RECORDERS OFFICE, A DISTANCE OF 6.49 FEET;

THENCE SOUTH 60 DEGREES 33 MINUTES 49 SECONDS EAST, CONTINUING ALONG THE NORTHWEST LINE OF THE SUN CITY GRAND PIMA SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 590, PAGE 21, MARICOPA COUNTY RECORDERS OFFICE, A DISTANCE OF 41.16 FEET;

THENCE SOUTH 29 DEGREES 26 MINUTES 11 SECONDS WEST, CONTINUING ALONG THE NORTHWEST LINE OF THE SUN CITY GRAND PIMA SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 590, PAGE 21, MARICOPA COUNTY RECORDERS OFFICE, A DISTANCE OF 60.00 FEET;

THENCE NORTH 60 DEGREES 33 MINUTES 49 SECONDS WEST, CONTINUING ALONG THE NORTHWEST LINE OF THE SUN CITY GRAND PIMA SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 590, PAGE 21, MARICOPA COUNTY RECORDERS OFFICE, A DISTANCE OF 41.16 FEET;

THENCE SOUTH 29 DEGREES 26 MINUTES 11 SECONDS WEST, CONTINUING ALONG THE NORTHWEST LINE OF THE SUN CITY GRAND PIMA SUBDIVISION RECORDED IN BOOK 590, PAGE 21, MARICOPA COUNTY RECORDERS OFFICE A DISTANCE OF 159.63 FEET TO A POINT ON THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 27;

THENCE NORTH 89 DEGREES 18 MINUTES 34 SECONDS WEST, DEPARTING SAID NORTHWEST LINE OF THE SUN CITY GRAND PIMA SUBDIVISION PER FINAL PLAT RECORDED IN BOOK 590, PAGE 21, MARICOPA COUNTY RECORDERS OFFICE AND PROCEEDING ALONG THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 27, A DISTANCE OF 732.84 FEET TO THE **POINT OF BEGINNING** OF THE PARCEL HEREIN DESCRIBED.

CONTAINING 24,888,742.70 SQUARE FEET OR 571.3669 ACRES, MORE OR LESS.



Exhibit H



Professional
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5 APRIL 2006
JOB NO. 03101

LEGAL DESCRIPTION
AZ-AM AF ABANDONED CC & N - 2

A PARCEL OF LAND LOCATED WITHIN A PORTION OF THE SOUTHEAST QUARTER OF SECTION 13, TOWNSHIP 4 NORTH, RANGE 2 WEST AND A PORTION OF THE SOUTHWEST QUARTER OF SECTION 18, TOWNSHIP 4 NORTH, RANGE 1 WEST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE WEST QUARTER CORNER OF SECTION 18, BEING A BRASS CAP IN A HANDHOLE, FROM WHICH THE NORTHWEST CORNER OF SAID SECTION 18, BEING A BRASS CAP IN A HANDHOLE, BEARS NORTH 00 DEGREES 45 MINUTES 25 SECONDS EAST, A DISTANCE OF 2,633.99 FEET;

THENCE SOUTH 89 DEGREES 10 MINUTES 30 SECONDS EAST, ALONG THE EAST WEST MIDSECTION LINE OF SAID SECTION 18, A DISTANCE OF 1,907.97 FEET, TO THE CALCULATED CENTER OF SAID SECTION 18;

THENCE SOUTH 00 DEGREES 26 MINUTES 18 SECONDS WEST, DEPARTING SAID EAST WEST MIDSECTION LINE AND PROCEEDING ALONG THE NORTH SOUTH MIDSECTION LINE OF SAID SECTION 18, A DISTANCE OF 668.02 FEET;

THENCE SOUTH 63 DEGREES 41 MINUTES 57 SECONDS WEST, DEPARTING SAID NORTH SOUTH MIDSECTION LINE, A DISTANCE OF 1,897.91 FEET, TO A POINT ON THE NORTHEASTERLY RIGHT OF WAY LINE OF GRAND AVENUE;

THENCE NORTH 46 DEGREES 13 MINUTES 30 SECONDS WEST, ALONG SAID NORTHEASTERLY RIGHT OF WAY LINE, A DISTANCE OF 2,252.18 FEET, TO A POINT ON THE EAST WEST MIDSECTION LINE OF SAID SECTION 13;

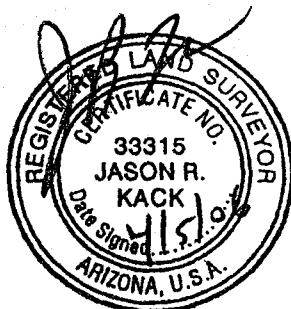
THENCE SOUTH 89 DEGREES 07 MINUTES 38 SECONDS EAST, DEPARTING SAID NORTHEASTERLY RIGHT OF WAY LINE AND PROCEEDING ALONG THE EAST WEST MIDSECTION LINE OF SAID SECTION 13, A DISTANCE OF 1,425.16 FEET TO THE **POINT OF BEGINNING** OF THE PARCEL DESCRIBED HEREIN.

CONTAINING 3,121,427.021 SQUARE FEET OR 71.6581 ACRES, MORE OR LESS.

Exhibit I



Civil Engineering
Land Surveying
Project Management



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5 APRIL 2006
JOB NO. 03101

LEGAL DESCRIPTION
BEARDSLEY TRANSFER FROM
AZ-AM AF

A PARCEL OF LAND LOCATED WITHIN A PORTION OF SECTION 13, TOWNSHIP 4 NORTH, RANGE 2 WEST AND A PORTION OF THE SOUTHWEST QUARTER OF SECTION 18, TOWNSHIP 4 NORTH, RANGE 1 WEST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST QUARTER CORNER OF SAID SECTION 13, BEING AN ALUMINUM CAP, FROM WHICH THE EAST QUARTER CORNER OF SAID SECTION 13, BEING A BRASS CAP FLUSH, BEARS SOUTH 89 DEGREES 07 MINUTES 38 SECONDS EAST, A DISTANCE OF 5,276.77 FEET;

THENCE SOUTH 89 DEGREES 07 MINUTES 38 SECONDS EAST, ALONG THE EAST WEST MIDSECTION LINE OF SAID SECTION 13, A DISTANCE OF 2,640.67 FEET TO THE **POINT OF BEGINNING** OF THE PARCEL DESCRIBED HEREIN;

THENCE CONTINUE SOUTH 89 DEGREES 07 MINUTES 38 SECONDS EAST, ALONG SAID EAST WEST MIDSECTION LINE OF SAID SECTION 13, A DISTANCE OF 1,210.95 FEET TO THE NORTHERLY RIGHT OF WAY OF GRAND AVENUE;

THENCE SOUTH 46 DEGREES 13 MINUTES 30 SECONDS EAST, DEPARTING SAID EAST WEST MIDSECTION LINE AND ALONG THE NORTHERLY RIGHT OF WAY LINE OF GRAND AVENUE, A DISTANCE OF 2,306.34 FEET;

THENCE SOUTH 43 DEGREES 42 MINUTES 54 SECONDS WEST, DEPARTING SAID NORTHERLY RIGHT OF WAY OF GRAND AVENUE, A DISTANCE OF 657.60 FEET;

THENCE SOUTH 46 DEGREES 17 MINUTES 00 SECONDS EAST, A DISTANCE OF 75.00 FEET;

THENCE SOUTH 43 DEGREES 33 MINUTES 59 SECONDS WEST, A DISTANCE OF 721.65 FEET, TO A POINT ON THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 13;

THENCE NORTH 89 DEGREES 07 MINUTES 36 SECONDS WEST, ALONG SAID SOUTH LINE OF THE SOUTHEAST QUARTER OF SECTION 13, A DISTANCE OF 2,013.88 FEET, TO THE SOUTH QUARTER CORNER OF SAID SECTION 13;

THENCE NORTH 00 DEGREES 45 MINUTES 51 SECONDS EAST, DEPARTING SAID SOUTH SECTION LINE AND PROCEEDING ALONG THE NORTH SOUTH MIDSECTION LINE OF SAID SECTION 13, A DISTANCE OF 2,633.60 FEET, TO THE **POINT OF BEGINNING** OF THE PARCEL DESCRIBED HEREIN;

CONTAINING 5,838,677.964 SQUARE FEET OR 134.0376 ACRES, MORE OR LESS.

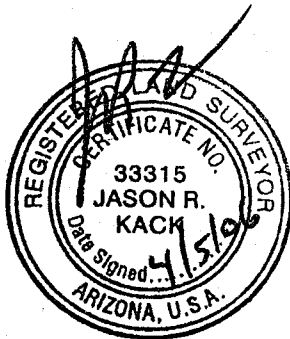


Exhibit J



Civil Engineering
Land Surveying
Project Management

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5 APRIL 2006
JOB NO. 03101

LEGAL DESCRIPTION
BEARDSLEY NEW CC & N - 1

A PARCEL OF LAND LOCATED WITHIN A PORTION OF SECTION 13, TOWNSHIP 4 NORTH, RANGE 2 WEST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST QUARTER CORNER OF SAID SECTION 13, BEING AN ALUMINUM CAP, FROM WHICH THE EAST QUARTER CORNER OF SAID SECTION 13, BEING A BRASS CAP FLUSH, BEARS SOUTH 89 DEGREES 07 MINUTES 38 SECONDS EAST, A DISTANCE OF 5,276.77 FEET;

THENCE SOUTH 89 DEGREES 07 MINUTES 38 SECONDS EAST, ALONG THE EAST WEST MIDSECTION LINE OF SAID SECTION 13, A DISTANCE OF 2,640.67 FEET TO THE **POINT OF BEGINNING** OF THE PARCEL DESCRIBED HEREIN;

THENCE NORTH 00 DEGREES 45 MINUTES 51 SECONDS EAST, DEPARTING SAID EAST WEST MIDSECTION LINE AND PROCEEDING ALONG THE NORTH SOUTH MIDSECTION LINE OF SAID SECTION 13, A DISTANCE OF 1,127.36 FEET, TO A POINT ON THE NORTHERLY RIGHT OF WAY OF GRAND AVENUE;

THENCE SOUTH 46 DEGREES 13 MINUTES 30 SECONDS EAST, DEPARTING SAID NORTH SOUTH MIDSECTION LINE AND PROCEEDING ALONG THE NORTHERLY RIGHT OF WAY OF GRAND AVENUE, A DISTANCE OF 1,656.05 FEET, TO A POINT ON THE EAST WEST MIDSECTION LINE OF SAID SECTION 13;

THENCE NORTH 89 DEGREES 07 MINUTES 38 SECONDS WEST, DEPARTING SAID RIGHT OF WAY OF GRAND AVENUE AND PROCEEDING ALONG THE EAST WEST MIDSECTION LINE OF SAID SECTION 13, A DISTANCE OF 1,210.95 FEET TO THE **POINT OF BEGINNING** OF THE PARCEL DESCRIBED HEREIN.

CONTAINING 682,583.429 SQUARE FEET OR 15.6700 ACRES, MORE OR LESS.

Exhibit K



Professional
Services, LLC

Civil Engineering
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5 APRIL 2006
JOB NO. 03101

LEGAL DESCRIPTION
BEARDSLEY NEW CC & N - 2

A PARCEL OF LAND LOCATED WITHIN A PORTION OF THE SOUTHWEST QUARTER OF SECTION 14, TOWNSHIP 4 NORTH, RANGE 2 WEST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 14.

EXCEPT ALL COAL AND OTHER MINERALS AS RESERVED IN THE PATENT RECORDED IN BOOK 257 OF DEEDS, PAGE 5, OF SAID LAND.

MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTH QUARTER CORNER OF SAID SECTION 14, BEING A 2 INCH IRON PIPE, FROM WHICH THE SOUTHEAST CORNER OF SAID SECTION, BEING AN ALUMINUM CAP, BEARS SOUTH 89 DEGREES 17 MINUTES 03 SECONDS EAST, A DISTANCE OF 2619.17 FEET;

THENCE NORTH 89 DEGREES 16 MINUTES 26 SECONDS WEST, ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 14, A DISTANCE OF 1,310.02 FEET TO THE **POINT OF BEGINNING**, OF THE PARCEL DESCRIBED HEREIN;

THENCE CONTINUE NORTH 89 DEGREES 16 MINUTES 26 SECONDS WEST, ALONG SAID SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 14, A DISTANCE OF 1,310.02 FEET TO THE SOUTHWEST CORNER OF SAID SECTION 14;

THENCE NORTH 00 DEGREES 06 MINUTES 14 SECONDS EAST, DEPARTING SAID SOUTH LINE AND PROCEEDING ALONG THE WEST LINE OF THE SOUTHWEST QUARTER OF SAID SECTION 14, A DISTANCE OF 1,322.98 FEET;

THENCE SOUTH 89 DEGREES 12 MINUTES 23 SECONDS EAST, DEPARTING SAID WEST LINE, A DISTANCE OF 1,313.84 FEET;

THENCE SOUTH 00 DEGREES 16 MINUTES 07 SECONDS WEST, A DISTANCE OF 1,321.39 FEET TO THE **POINT OF BEGINNING** OF THE PARCEL DESCRIBED HEREIN.

CONTAINING 1,734,531.297 SQUARE FEET OR 39.8194 ACRES, MORE OR LESS.

Exhibit L



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5 APRIL 2006
JOB NO. 03101

LEGAL DESCRIPTION
AZ-AM AF NEW CC & N

A PARCEL OF LAND LOCATED WITHIN A PORTION OF THE EAST HALF OF SECTION 18, TOWNSHIP 4 NORTH, RANGE 1 WEST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE EAST QUARTER CORNER OF SECTION 18, BEING A BRASS CAP IN A HANDHOLE, FROM WHICH THE NORTHEAST CORNER OF SAID SECTION 18, BEING AN IRON PIPE, BEARS NORTH 00 DEGREES 22 MINUTES 21 SECONDS EAST, A DISTANCE OF 2,638.95 FEET;

THENCE SOUTH 00 DEGREES 21 MINUTES 43 SECONDS WEST, ALONG THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 18, A DISTANCE OF 2,639.40 FEET;

THENCE NORTH 89 DEGREES 06 MINUTES 11 SECONDS WEST, ALONG THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 18, A DISTANCE OF 2,641.49 FEET, TO THE CALCULATED SOUTH QUARTER CORNER OF SAID SECTION 18;

THENCE NORTH 00 DEGREES 26 MINUTES 18 SECONDS EAST, DEPARTING SAID SOUTH LINE, A DISTANCE OF 1,968.04 FEET, TO A POINT ON THE SOUTHERN BANK OF THE McMICKEN DAM OUTLET CHANNEL;

THENCE NORTH 62 DEGREES 34 MINUTES 38 SECONDS EAST, ALONG SAID SOUTHERN BANK, A DISTANCE OF 2,982.78 FEET, TO A POINT ON THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 18;

THENCE SOUTH 00 DEGREES 22 MINUTES 19 SECONDS WEST, DEPARTING SAID SOUTHERN BANK AND PROCEEDING ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 18, A DISTANCE OF 743.73 FEET, TO THE EAST QUARTER CORNER OF SAID SECTION 18 SAID POINT ALSO BEING THE **POINT OF BEGINNING** OF THE PARCEL DESCRIBED HEREIN.

CONTAINING 7,062,801.165 SQUARE FEET OR 162.1396 ACRES, MORE OR LESS.

Exhibit M



Professional
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5 APRIL 2006
JOB NO. 03101

LEGAL DESCRIPTION
AZ-AM AF TRANSFER
FROM AZ-AM SCW

A PARCEL OF LAND LOCATED WITHIN A PORTION OF THE NORTH HALF OF SECTION 19, TOWNSHIP 4 NORTH, RANGE 1 WEST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SECTION 19, BEING AN IRON PIPE, FROM WHICH THE WEST QUARTER CORNER OF SAID SECTION 19, BEING A BRASS CAP, BEARS SOUTH 00 DEGREES 43 MINUTES 19 SECONDS WEST, A DISTANCE OF 2,630.24 FEET;

THENCE SOUTH 89 DEGREES 06 MINUTES 15 SECONDS EAST, ALONG THE NORTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 19, A DISTANCE OF 1403.77 FEET TO THE **POINT OF BEGINNING** OF THE PARCEL DESCRIBED HEREIN;

THENCE CONTINUING SOUTH 89 DEGREES 06 MINUTES 15 SECONDS EAST, ALONG SAID NORTH LINE, A DISTANCE OF 518.90 FEET, TO THE CALCULATED NORTH QUARTER CORNER OF SAID SECTION 19;

THENCE SOUTH 89 DEGREES 06 MINUTES 11 SECONDS EAST, DEPARTING SAID NORTH LINE OF THE NORTHWEST QUARTER AND PROCEEDING ALONG THE NORTH LINE OF THE NORTHEAST QUARTER OF SAID SECTION 19, A DISTANCE OF 816.32 FEET;

THENCE SOUTH 42 DEGREES 57 MINUTES 14 SECONDS WEST, DEPARTING SAID NORTH LINE, A DISTANCE OF 908.70 FEET, TO THE NORTHEASTERLY RIGHT OF WAY OF GRAND AVENUE;

THENCE NORTH 46 DEGREES 13 MINUTES 16 SECONDS WEST, ALONG SAID NORTHEASTERLY RIGHT OF WAY, A DISTANCE OF 991.47 FEET TO THE **POINT OF BEGINNING** OF THE PARCEL DESCRIBED HEREIN.

CONTAINING 450,428.857 SQUARE FEET OR 10.3404 ACRES, MORE OR LESS.

MEMORANDUM

DATE: March 27, 2007

TO: Linda Jaress

FROM: Katrin Stukov *KS*

RE: Joint Application of Beardsley Water Co., Inc. & Arizona-American Water Co. to realign their Certificated Water Service Territories (Docket Nos. W- 02074A-07-0079 & W-01303A-07-0079)

Introduction

Beardsley Water Company ("Beardsley" or "Company" or "Entity") and Arizona-American Water Company ("AZ-AM" or "Company" or "Entity") have jointly filed an application to realign their certificated water service territories within western Maricopa County in the general vicinity of the intersection of Grand Avenue (US 60), the Estrella Freeway (Loop 303) and the Beardsley Canal. Three entities: Beardsley, AZ-AM & the City of Surprise ("Surprise" or "City" or "Entity") are capable of providing water service to this area, though, presently there is no existing infrastructure or customers in the affected parcels. The proposed realignment will help to avoid the need for construction of expensive pipelines under significant geographic barriers or transportation infrastructure, such as, the McMicken Dam Outlet Channel, the Beardsley Canal, Grand Avenue and the railroad tracks. As part of this Application, the three entities jointly submitted their Realignment Agreement, which concerns seven (7) parcels described in the Table below:

Parcel	Size (acres)	Parcel's location specifics & current barriers	Current Entity Serving	Proposed Entity Serving	Public water system ("PWS") #	Projected number of customers
A	571.4	Adjacent to the City. Floodplain, Channel, Canal	AZ-AM/Agua Fria	City	N/A	N/A
B	71.7	Adjacent to the City. Floodplain, Channel, Canal	AZ-AM/Agua Fria	City	N/A	N/A
C	134	Adjacent to Beardsley. Channel, Canal, Grand Avenue, railroad tracks	AZ-AM/Agua Fria	Beardsley	07-007	1-3 (commercial)
D	15.7	Adjacent to Beardsley. Grand Avenue, railroad tracks	City	Beardsley	07-007	1 (commercial)
E	39.8	Adjacent to Beardsley	City	Beardsley	07-007	10-80 (residential)
F	162.1	Adjacent to AZ-AM. Channel, Canal	City	AZ-AM/Agua Fria	07-695	10-50 (commercial)
G	10.3	Adjacent to AZ-AM	AZ-AM/Sun City West	AZ-AM/Agua Fria	07-695	1 (commercial)

Existing Water Systems

Beardsley

According to the application, all three entities agree that Parcels C, D & E could be more economically served by Beardsley. The Company indicated that the water system PWS# 07-007 will serve Parcels C, D & E. Based on information provided by the Company, the system's current well production capacity of 195 gallons per minute ("GPM") and storage capacity of 150,000 gallons is adequate to serve about 165 connections (governed by the storage capacity). Therefore, Staff concludes that this system's production and storage capacity could adequately serve the present customer base (150 connections) and a reasonable level of growth.

AZ-AM / Agua Fria

According to the application, AZ-AM and Surprise agree that Parcel F could be more economically served by Arizona-American's Agua Fria District ("AZ-AM/Agua Fria") than by Surprise. AZ-AM indicated that should service to Parcel G be required in the future, it could be more economically served by the rapidly growing Agua Fria Water District than by the built-out Sun City West Water District. Based on information provided by the Company, the AZ-AM/Agua Fria water system's current well production capacity of 28,803 GPM and storage capacity of 7,210,000 gallons is adequate to serve over 48,600 connections. Therefore, Staff concludes that this system's production and storage capacity could adequately serve the present customer base (30,740 connections) and a reasonable level of growth.

Maricopa County Environmental Services Department ("MCESD") Compliance

Beardsley

MCESD reported that the Beardsley water system PWS# 07-007 is in compliance with its monitoring and reporting requirements and is currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, Chapter 4.¹

AZ-AM / Agua Fria

MCESD reported that the AZ-AM/Agua Fria water system PWS# 07-695 is in compliance with its monitoring and reporting requirements and is currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, Chapter 4.²

¹ Per compliance check dated March 28, 2007.

² Per compliance check dated March 20, 2007.

Arsenic

The U.S. Environmental Protection Agency has reduced the arsenic maximum contaminant level ("MCL") in drinking water from 50 micrograms per liter ("µg/l") to 10 µg/l.

Beardsley

The Company's 2005 Annual Report indicates that all system wells comply with the new arsenic MCL standard.

AZ-AM / Agua Fria

The Company has completed the arsenic treatment facilities for the Agua Fria system, and the arsenic treatment facilities are operational. According to the Company, the system is in compliance with the new arsenic MCL standard³.

Arizona Department of Water Resources ("ADWR") Compliance

Beardsley's and AZ-AM/Agua Fria systems are within ADWR's Phoenix Active Management Area. ADWR stated that both companies are currently in compliance with its conservation and reporting requirements.⁴

Arizona Corporation Commission ("ACC") Compliance

Beardsley

The Utilities Division compliance database indicates that there are no delinquencies for Beardsley.⁵

AZ-AM

The Utilities Division compliance database indicates that AZ-AM has one delinquent compliance item required by Decision No. 68917, dated August 29, 2006.⁶ The Decision approved a Water Services Termination Agreement with the City of Surprise. The Company was ordered to file with Docket Control tariff sheets in compliance with the Decision. At this point in time Staff has not been able to determine if the required tariff sheets were ever filed. ACC Utilities Division Compliance Section Staff is currently working with the Company to ensure compliance.

³ Per phone conversation with Ray Jones on March 22, 2007.

⁴ Per ADWR Compliance status check dated March 15, 2007.

⁵ Per ACC Compliance status check dated February 27, 2007.

⁶ Per ACC Compliance status check dated February 27, 2007.

Curtailment Tariff

Beardsley and AZ-AM have an approved curtailment tariff on file with the Commission.

Conclusions

1. Presently there is no existing water infrastructure or customers in the affected parcels.
2. The proposed realignment will help to avoid the need for construction of expensive pipelines under significant geographic barriers or transportation infrastructure should service to affected parcels be required in the future.
3. The proposed deletion area (Parcels A & B) is adjacent to the City of Surprise. The City is willing and able to provide water service in the deletion area should service to Parcels A & B be required in the future.
4. The Beardsley and AZ-AM/Agua Fria water systems have adequate production and storage capacity.
5. MCESD reported that both the Beardsley and AZ-AM/Agua Fria water systems are in compliance with its monitoring and reporting requirements and are currently delivering water that meets water quality standards required by Arizona Administrative Code, Title 18, Chapter 4.
6. The Utilities Division compliance database indicates that there are no delinquencies for Beardsley. However, AZ-AM has one delinquent compliance item required by the Decision 68917, dated August 29, 2006.

Recommendations

1. Staff recommends that the decision approving the subject realignment not become effective until AZ-AM has filed the requisite tariff sheets and complied with Decision No. 68917.